

D/Pers

83-3381

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

STAT

-OLL

#

83-2073/7

FROM
DD/Pers/SP
5E-56 Headquarters

EXTENSION

NO.

STAT

DATE

SEP 21 1983

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

		DATE		OFFICER'S INITIALS
		RECEIVED	FORWARDED	
1.	EO/OP	SEP 21 1983		PD
2.	DD/Pers	SEP 21 1983		VX
3.				
4.	DD/Pers/SP			UMA
5.				
6.	Legislative Division, OLL		STAT	
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

4-6
Per your request

35

21 September 1983

STAT

MEMORANDUM FOR:

Legislative Division, Office of Legislative Liaison

FROM:

Deputy Director of Personnel for Special Programs

STAT

SUBJECT:

Draft Proposed Legislation Prepared by the Senate
Subcommittee on Civil Service, Post Office and General
Services re Dual Compensation of Federal Employees Hired
After 31 December 1983

Members of the Office of Personnel have reviewed the proposed legislation by Senator Stevens' staff designed to provide temporary Civil Service coverage for employees hired after 31 December 1983. The proposed legislation is logical and would bring total contributions paid by present government employees and those hired after 31 December 1983 to the same level, i.e., a total of 8.3%. While there will be a handful of employees hired during this temporary period who would become eligible for disability or survivor benefits, we do not see this as a problem. In fact, the bill as we understand it provides coverage of federal service but does not provide contributions to be applied against actual annuity computations. All things considered, we believe the Stevens bill does not cause a problem for either our CIARDS or CSRS covered employees.

STAT

SEPTEMBER 15, 1983

079912.476

S.I.C.

98th CONGRESS
1st Session

S. _____

IN THE SENATE OF THE UNITED STATES
-----Mr. _____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To provide temporary adjustments in the requirement to make contributions to certain Government retirement systems with respect to certain service performed by certain Federal officers and employees; to provide credit under such systems for such service under certain circumstances, and for other purposes.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled, That
3 this Act may be cited as the "Federal Employees" Retirement
4 Contribution Temporary Adjustment Act of 1983".

5 Sec. 2. (a) For the purposes of this Act--

6 (1) the term "Government retirement system" means--

7 (A) the Civil Service Retirement and Disability
8 System under subchapter III of chapter 83 of title 5,
9 United States Code;

10 (B) the Foreign Service Retirement and Disability
11 System under chapter 8 of the Foreign Service Act of
12 1980 (22 U.S.C. 4041 et seq.);

13 (C) the Central Intelligence Agency Retirement
14 and Disability System under the Central Intelligence
15 Agency Retirement Act of 1964 for Certain Employees
16 (50 U.S.C. 403 note); and

17 (D) any other retirement system for Government

070610.476

S.L.C.

2

1 officers or employees under which a participant in
2 the system is required to make contributions of a
3 portion of the participant's basic pay to the system,
4 as determined by the President;

5 (2) the term "Member" has the same meaning as
6 provided in section 8331 (2) of title 5, United States
7 Code;

8 (3) the term "lump-sum credit"---

9 (A) when used with respect to the Civil Service
10 Retirement and Disability System provided by
11 subchapter III of chapter 83 of title 5, United
12 States Code, has the same meaning provided in section
13 8331 (8) of such title;

14 (B) when used with respect to the Foreign Service
15 Retirement and Disability System provided by chapter
16 8 of the Foreign Service Act of 1980 (22 U.S.C. 4041
17 et seq.), has the same meaning as provided in section
18 804 (8) of such Act (22 U.S.C. 4044 (8));

19 (C) when used with respect to the Central
20 Intelligence Agency Retirement Act of 1964 for
21 Certain Employees (50 U.S.C. 403 note), means the
22 total amount of contributions payable with respect to
23 an employee, former employee, participant, or former
24 participant under section 241 of such Act; and

25 (D) when used with respect to any other
26 Government retirement system, means the total amount
27 of contributions payable with respect to an employee,
28 former employee, participant, or former participant
29 under any circumstance which is similar to a
30 circumstance provided by section 8342 of title 5,
31 United States Code, section 815 of the Foreign
32 Service Act of 1980 (22 U.S.C. 4055), or section 241
33 of the Central Intelligence Retirement Act of 1964
34 for Certain Employees;

879812.476

S.I.C.

3

1 (3) the term "employee" means--

2 (A) an employee as defined in section 8331 (1) of
3 title 5, United States Code;

4 (B) a participant as defined in section 803 (a)
5 of the Foreign Service Act of 1980 (22 U.S.C. 4043
6 (a));

7 (C) a participant as defined in section 203 of
8 the Central Intelligence Agency Retirement Act of
9 1964 for Certain Employees (50 U.S.C. 403 note); and

10 (D) any other individual who, but for section
11 8331 (1) (ii) of title 5, United States Code, would
12 be an employee as defined in section 8331 of such
13 title; and

14 (4) the term "new Government retirement system"
15 means any retirement system which (A) is established for
16 officers and employees of the Government by or under a
17 law enacted after the date of enactment of the Act and
18 before January 1, 1986, and (B) takes effect on or before
19 January 1, 1986.

20 (b) The President shall publish the determinations made
21 for the purpose of subsection (a) (4) in an Executive order.

22 Sec. 3. (a) An employing agency shall deduct and withhold
23 only 1.3 percent of the basic pay of an employee (not
24 including a Member of Congress) under--

25 (1) section 8334 of title 5, United States Code;

26 (2) section 805 of the Foreign Service Act of 1980
27 (22 U.S.C. 4045);

28 (3) section 211 of the Central Intelligence Agency
29 Retirement Act of 1964 for Certain Employees (50 U.S.C.
30 403 note); or

31 (4) any other Government retirement system under
32 which a participant in the system is required to make
33 contributions of a portion of the basic pay of the
34 participant,

679810.475

S.I.C.

4

1 for service which is performed after December 31, 1983, and
2 before January 1, 1986, and is employment for the purposes of
3 chapter 21 of the Internal Revenue Code of 1954 and title II
4 of the Social Security Act.

5 (b) Employing agencies of the Government shall make
6 contributions with respect to service to which subsection (a)
7 of this section applies under the second sentence of section
8 8334 (a) (1) of title 5, United States Code, the second
9 sentence of section 805 (a) of the Foreign Service Act of
10 1980 (22 U.S.C. 4045(a)), the second sentence of section 211
11 (a) of the Central Intelligence Agency Retirement Act of 1964
12 for Certain Employees (50 U.S.C. 403 note), and the
13 provisions of any other Government retirement system
14 providing for a contribution of the employing agency, as if
15 subsection (a) had not been enacted.

16 (c) The lump-sum credit of an employee does not include
17 amounts deducted and withheld for service as provided in
18 subsection (a) unless such employee makes a deposit with
19 respect to such service as provided in section 5 (b) of this
20 Act.

21 Sec. 4. (a) Section 8339 of title 5, United States Code,
22 is amended by adding at the end thereof the following new
23 subsection:

24 "(o) Any portion of an annuity of an employee which is
25 computed under subsection (a), (b), (c), (d), (e), (g), or
26 (n) of this section and is based on service to which section
27 3 of the Federal Employees' Retirement Contribution Temporary
28 Adjustment Act of 1983 applies shall be reduced by the
29 portion of the amount of the benefits payable under title II
30 of the Social Security Act to such employee which is
31 attributable to such service."

32 (b) Section 836 of the Foreign Service Act of 1980 (22
33 U.S.C. 4046) is amended by adding at the end thereof the
34 following new subsection:

079810.475

S.I.C.

5

1 “(m) Any portion of an annuity of a participant or
2 former participant which is computed under this section and
3 is based on service to which section 3 of the Federal
4 Employees’ Retirement Contribution Temporary Adjustment Act
5 of 1983 applies shall be reduced by the portion of the amount
6 of the benefits payable under title II of the Social Security
7 Act to such participant or former participant which is
8 attributable to such service. The reduction under this
9 subsection shall be calculated before any reduction under
10 section 814 (a) (5).”.

11 (c) Section 221 of the Central Intelligence Agency
12 Retirement Act of 1964 for Certain Employees (50 U.S.C. 403
13 note) is amended by adding at the end thereof the following
14 new subsection:

15 “(p) Any portion of an annuity of a participant or
16 former participant which is computed under this section and
17 is based on service to which section 3 of the Federal
18 Employees’ Retirement Contribution Temporary Adjustment Act
19 of 1983 applies shall be reduced by the portion of the amount
20 of the benefits payable under title II of the Social Security
21 Act to such participant or former participant which is
22 attributable to such service. The reduction under this
23 subsection shall be calculated before any reduction under
24 section 222 (a) (4).”.

25 (d) Notwithstanding any other provision of law, for the
26 purposes of any Government retirement system not covered by
27 an amendment made by subsection (a), (b), or (c), any portion
28 of an annuity of a participant or former participant in such
29 system which is computed under such system and is based on
30 service to which section 3 of the Federal Employees’
31 Retirement Contribution Temporary Adjustment Act of 1983
32 applies shall be reduced by the portion of the amount of the
33 benefits payable under title II of the Social Security Act to
34 such participant or former participant which is attributable

079812.876

S.L.C.

1 to such service. The reduction under this subsection shall be
2 calculated before any reduction in such annuity provided by
3 law for the purpose of paying an annuity under the Government
4 retirement system to any former spouse of the participant or
5 former participant based on the service of such participant
6 or former participant.

7 Sec. 5. (a) (1) Subsection (i) of section 8339 of title
8 5, United States Code, is amended by inserting "or for which
9 reduced retirement deductions have been made under section 3
10 (a) of the Federal Employees' Retirement Contribution
11 Temporary Adjustment Act of 1983 and deposits under section 5
12 (b) of such Act have not been made" before "unless--".

13 (2) The last sentence of section 806 (a) of the Foreign
14 Service Act of 1980 (22 U.S.C. 4045 (a)) is amended by
15 inserting "or for which reduced retirement deductions have
16 been made under section 3 (a) of the Federal Employees'
17 Retirement Contribution Temporary Adjustment Act of 1983 and
18 a special contribution has not been made as provided in
19 section 5 (b) of such Act" before "unless".

20 (3) Section 221 (k) of the Central Intelligence
21 Retirement Act of 1964 for Certain Employees is amended by
22 inserting "or for which reduced retirement deductions have
23 been made under section 3 (a) of the Federal Employees'
24 Retirement Contribution Temporary Adjustment Act of 1983 and
25 deposits under section 5 (b) of such Act have not been made"
26 before ", unless".

27 (4) Service of an employee for which reduced retirement
28 deductions have been made under section 3 (a) of this Act and
29 deposits have not been made as provided in subsection (b)
30 shall not be included in the total service of such employee
31 for the purpose of computing an annuity of such employee
32 under any Government retirement system not covered by an
33 amendment made by paragraph (1), (2), or (3) of this
34 subsection.

072518.475

S.I.C.

7

(b) (1) An employee whose service is covered by section 3 may not make a deposit or special contribution before January 1, 1986, for the purposes of section 8334 (c) of title 5, United States Code, section 805 (d) (3) of the Foreign Service Act of 1920, section 252(b) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, or any provision of any other Government retirement system for credit (for the purpose of computing an annuity) for service not covered by a deduction from pay. Any such employee who is included in or may elect to be included in a new Government retirement system on January 1, 1986, may not make a deposit or special contribution for any such purpose.

(2) In the case of any employee to whom the first sentence of paragraph (1) applies and the second sentence of paragraph (1) does not apply--

(A) the amount of the deposit or special contribution required to be made for the purposes of a provision referred to in such paragraph with respect to service to which section 3 applies shall be equal to the excess of the applicable percentage specified in such provision over 1.3 percent; and

(B) interest shall not be required to be deposited or contributed on any portion of such amount which is deposited or contributed before January 1, 1991.

(3) For the purposes of this subsection and section 252 (b) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, service to which section 3 applies shall be considered to be civilian service in the executive branch prior to becoming a participant in the Central Intelligence Agency Retirement and Disability System.

Sec. 6. (a) For the purposes of determining eligibility for and computing the amount of an annuity with respect to an employee who dies before retirement or other separation from

E79812.476

S.I.C.

9

1 employment by the Government subject to a Government
2 retirement system under sections 8337, 8341 (c), and 8341 (d)
3 of title 5, United States Code, sections 808, 809 (b), 809
4 (c), and 809 (d) of the Foreign Service Act of 1962 (22
5 U.S.C. 4048, 4049), sections 231, 232 (b), 232 (c), and 232
6 (d) of the Central Intelligence Act of 1964 for Certain
7 Employees, and any provision of any other Government
8 retirement system for disability benefits or an annuity for
9 survivors of an employee who dies before retirement or other
10 separation from employment by the Government subject to any
11 such system, the total service of an employee shall include
12 the service of such employee to which section 3 applies and
13 the annuity shall be computed without reduction under the
14 last sentence of section 806 (a) of the Foreign Service Act
15 of 1960 or under section 221 (k) of the Central Intelligence
16 Retirement Act of 1964 for Certain Employees.

17 (b) The receipt of payment of a lump-sum credit by an
18 employee under section 8342 (a) of title 5, United States
19 Code, voids all annuity rights provided by subsection (a)
20 until the employee is reemployed in the service subject to
21 subchapter III of chapter 83 of such title.

22 Sec. 7. Service to which section 3 applies shall be
23 creditable for the purposes of a new Government retirement
24 system.